

# AGENDA



## EUGENE PLANNING COMMISSION

Phone: 541-682-5481  
www.eugene-or.gov/pc

McNutt Room—City Hall, 777 Pearl Street  
Eugene, OR 97401

The Eugene Planning Commission welcomes your interest in these agenda items. Feel free to come and go as you please at any of the meetings. This meeting location is wheelchair-accessible. For the hearing impaired, FM assistive-listening devices are available or an interpreter can be provided with 48 hours notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours notice. To arrange for these services, contact the receptionist at 541-682-5481. Telecommunications devices for deaf assistance are available at 541-682-5119.

### **MONDAY, APRIL 9, 2012 – REGULAR MEETING** (11:30 a.m. to 1:30 p.m.)

- 11:30 a.m.    I.    **PUBLIC COMMENT**  
The Planning Commission reserves 10 minutes at the beginning of this meeting for public comment. The public may comment on any matter, **except for items scheduled for public hearing or public hearing items for which the record has already closed.** Generally, the time limit for public comment is three minutes; however, the Planning Commission reserves the option to reduce the time allowed each speaker based on the number of people requesting to speak.
- 11:40 a.m.    II.    **ENVISION EUGENE: PUBLIC FORUM UPDATE**  
Staff: Terri Harding, 541-682-5635
- 11:55 a.m.    III.    **ENVISION EUGENE: LAND FOR HOMES**  
Staff: Carolyn Weiss, 541-682-8816
- 1:15 p.m.    IV.    **ITEMS FROM COMMISSION AND STAFF**  
A. Other Items from Staff  
B. Other Items from Commission  
C. Learning: how are we doing?

Commissioners: Steven Baker; Jonathan Belcher; Rick Duncan; Randy Hledik, Vice Chair;  
John Jaworski; Jeffery Mills, Chair; William Randall



**AGENDA ITEM SUMMARY**  
**April 9, 2012**

**To:** Eugene Planning Commission

**From:** Carolyn Weiss, City of Eugene Planning Division

**Subject:** Envision Eugene Recommendation: Land for Homes

**ISSUE STATEMENT**

This work session provides an opportunity to discuss the City Manager's recommendation for the Envision Eugene draft proposal in preparation for developing the Planning Commission's recommendation to City Council. The specific focus of this work session is land needed for housing.

**BACKGROUND**

Two primary goals of the Envision Eugene project are to: 1) determine how Eugene will accommodate the next 20 years of growth in our community, as required by state law, and 2) create a future that is livable, sustainable, beautiful and prosperous.

On March 14, City Manager Jon Ruiz presented his draft recommendation on Envision Eugene to the City Council. The council webcast and the presentation slides can be viewed at [www.envisioneugene.org](http://www.envisioneugene.org). The City Manager gave a similar presentation to the Planning Commission on March 19, and the webcast can be viewed at [www.eugene-or.gov/pc](http://www.eugene-or.gov/pc). Documents supporting the recommendation have been forwarded to the Planning Commission and can be found on line at [www.envisioneugene.org](http://www.envisioneugene.org).

The purpose of this work session is to provide Planning Commission with an opportunity to ask questions and discuss the basis for the recommendation regarding land for homes. Staff will not be providing a formal presentation; however, the following documents will be the basis for this discussion:

- Pillars: Housing Affordability, Compact Urban Development, Neighborhood Livability
- Tech Summaries: Single-family Housing, Multi-family Housing, UGB Expansion

Many of the issues, such as housing mix, have been discussed extensively at previous Planning Commission meetings. Other specific issues which may be discussed include, but are not limited to:

- Accommodating additional multi-family housing need in the downtown, along transit corridors and in core commercial areas
  - Incentives and Regulatory Changes
  - Area Planning/ Transitions to neighborhoods
- Expansion areas for single-family homes

- Infill Compatibility Standards/ Opportunity Siting
- Neighborhood Planning

## **NEXT STEPS**

A series of six community forums will be held around the city to present the recommendation and gather feedback. Two have been held already on March 20<sup>th</sup> and April 3rd. Each forum will be from 6-8pm and the dates and locations are as follows along with other key dates:

April 5:	Community Forum – Studio at the Hult Center
April 10:	Community Forum – Sheldon Community Center
April 12:	Community Forum – South Eugene High School
April 17:	Community Forum – North Eugene High School
May 2:	On-line Survey Closes
May 14:	City Council Hearing
May 16:	City Council Work Session (additional work sessions to be scheduled)

The Planning Commission has work sessions on Envision Eugene scheduled for April 23, April 30, May 7, and May 21. In addition, April 16 is being held as a backup meeting date to continue the discussion on land for homes, if needed.

## **ATTACHMENTS**

A. Planning Commission Memo on Housing Mix to City Council, September 21, 2011

## **FOR MORE INFORMATION**

Carolyn Weiss, 541-682-8816 or [carolyn.j.weiss@ci.eugene.or.us](mailto:carolyn.j.weiss@ci.eugene.or.us)

Heather O'Donnell, 541-682-5488 or [heather.m.odonnell@ci.eugene.or.us](mailto:heather.m.odonnell@ci.eugene.or.us)

Alissa Hansen, 541-682-5508 or [alissa.h.hansen@ci.eugene.or.us](mailto:alissa.h.hansen@ci.eugene.or.us)

To: Mayor Piercy and members of the Eugene City Council

From: Eugene Planning Commission

Date: September 21, 2011

Subject: Envision Eugene Pillar #2: Provide Affordable Housing for All Income Levels

As you consider the manner in which the City will accommodate some 34,000 additional people who are expected to call Eugene home over the next 20 years, we encourage you to *assure a sufficient supply of land for a broad range of housing types (both single family and multifamily), and provide the means to facilitate, not just mandate, higher density housing in appropriate areas.* We offer the following to inform your decisions.

We know you appreciate the input from thoughtful citizen volunteers, city staff and consultants who dedicated thousands of hours of their time reviewing data and literature relevant to demographic, climatic, environmental, energy and economic trends. These people include the members of the Community Resource Group, the Technical Resource Group, and the general public who offered comments at the community outreach sessions conducted by the Planning Department staff. The culmination of this effort acknowledges changes ahead for our community: an older, more ethnically diverse population with fewer people per household; warming atmospheric temperatures; volatility in the supply and price of fuel and power; and escalation in the cost of food production and housing construction.

Certainly, these indicators of the future reinforce existing local policies directed toward compact urban growth, neighborhood character preservation and natural resource conservation – policies that have been at the center of our local land use planning philosophy for decades. From the knowledge gained during the past several months, the picture that appears in our collective crystal ball encourages us to continue with current planning initiatives such as Infill Compatibility Standards, Opportunity Siting and higher density, mixed-use development along transit corridors – all of which we anticipate will facilitate the efficient use of urbanizable land and achieve goals that sustain the quality of life we enjoy.

During the Envision Eugene process, a considerable amount of discussion focused on how our land use planning policies can affect housing affordability to meet the expectations of people across a wide socio-economic spectrum. Housing cost exceeds the ability of many people to purchase a home, and consumes a significant proportion of household income for many others. On the other hand, the educational, cultural and recreational opportunities our City offers continue to be attractive to people who desire housing at both ends of the price spectrum.

There is a general sense that duplexes, apartments and condominiums are more affordable than single family units. It is intuitive and supported by anecdotal examples to suggest that higher density, multifamily dwelling units are more affordable to rent or own; however, concrete evidence supporting this conclusion is lacking. Available empirical data for our community indicates that the cost of building new multifamily housing places these higher density units at the upper end of the scale for either rent or

purchase. Recent multifamily projects built for owner purchase have targeted the upper end of the market providing no local examples of recently constructed owner-occupied affordable multifamily housing. The cost of multifamily housing has implications regarding Envision Eugene's objective of accommodating essentially all of the future demand for multifamily housing along designated transit corridors and in core commercial areas since redevelopment of these areas may result in comparatively expensive units. Without changes in the city's land use policies or affordability measures, the cost of new multifamily housing puts these units out of reach of the lower end of the rent or purchase scale. The extent to which additions to the multifamily housing stock may make the cost of older units more affordable will have to be measured over time. As has been demonstrated by the "bursting of the housing bubble", affordability is in large part determined by housing supply and demand and the availability of institutional financing.

Likewise, when housing and transportation expenses are considered in combination with each other, costs due to the escalating price of gasoline could be ameliorated by providing denser housing in proximity to employment centers and transit lines. However, given the relatively short commuting distances within Eugene, as well as between Eugene and outlying communities, the relationship between these two major household expenditures and the extent to which one may affect the other is unclear at this time, warranting further study as recommended by Strategy #3 of the 2<sup>nd</sup> Pillar of Envision Eugene.

In addition to the factors of supply and demand in which a surplus of housing units can generally lower rents and mortgages, housing affordability is perhaps as much a function of economic policies which result in higher employment and higher personal income. Until our local economy improves significantly, we can expect housing affordability to remain a major issue, and even when the job market rebounds, subsidized housing will likely remain a necessity. Ensuring an adequate amount of land for economic development, continuing the City's affordable housing land banking program, facilitating private and not-for-profit multifamily development efforts, and exploring alternative possibilities merit your consideration., e.g.: land trust programs; substituting Systems Development Charges (SDCs) with a Local Improvement District (LID) and forgiving the taxes for low income buyers; creating a program similar to the Multiple Unit Property Tax Exemption (a MUPTE-like program) that encourages construction of housing serving low income buyers.

Notwithstanding all of the information that the Envision Eugene process has engendered, what remains perplexingly uncertain is the degree to which the values, preferences and behaviors of Eugeneans as a whole will change as we face challenges over the next two decades. The magnitude to which people may modify their lifestyles either by choice, cost of living or governmental policy during this relatively short time frame is unclear. Specifically in regard to housing, it is not possible to determine with any measure of certainty the extent to which local residents may shift away from living in the types of homes that characterize today's housing market. Current literature is both contradictory and inconclusive regarding whether multifamily housing may supplant the traditional desire of owning a single family home on a parcel of land. Nor does available research enable us to determine the significance which either the price of fuel or alternatives to gasoline powered automobiles may have in reducing vehicle miles travelled and greenhouse gas emissions. Although we can make some informed projections, there simply is no quantitative or qualitative basis of fact to definitively predict how people will respond to what may

happen in the future – or the extent to which city policy may influence their behavior. This uncertainty makes it difficult to accurately anticipate or calculate the amount of land that will be needed to house our projected population increase.

A key factor in determining needed land supply is the rate at which vacant and partially vacant land within the existing Urban Growth Boundary (UGB) may develop. We can probably all agree that utilizing currently undeveloped land and existing infrastructure capacity before expanding the UGB makes sense and would preclude the premature urbanization of resource lands. But to expect all of this land to be developed during the planning period is unrealistic given decisions that individual property owners make, and could elicit negative response from some concerned about potential undesirable effects that full development might have on the character of existing neighborhoods. Some owners are apt to hold onto their properties indefinitely as a lifestyle preference. Other owners may delay development for speculation purposes, while some properties may never be developed given natural constraints. Additionally, some land is either not served or is underserved by public infrastructure, and the capital improvement programming to upgrade or extend public facilities and services is not established. This is a city financing matter that affects the timing of development of these lands. Furthermore, we know that when vacant or partially vacant land is developed to higher densities in established neighborhoods, it is often met with dismay and resistance from those who live in the area. For these reasons, we cannot anticipate that all land will be used at maximum efficiency during the planning period. Therefore, in determining the amount of vacant and partially vacant land within the UGB that is available for development, it is worthwhile to temper (within the parameters established by statewide planning law) developmental capacity with ownership expectations, neighborhood livability and public infrastructure availability.

Because there is no single right or wrong approach to the uncertainty we face, as you set the direction that will shape our community during the next twenty years, we ask that you formulate policies which provide latitude and discretion to address whatever changes and challenges may lie ahead. We've learned from past planning experiences, e.g., neighborhood refinement plans, nodal /mixed-use center plans, and floor area ratio standards, that attempts at forecasting and directing in more than a general way how real estate will develop over time can be fraught with pitfalls. While the purpose of city planning is to guide development and growth, it is prudent for us to moderate our expectations with realities of the residential real estate market, and to proceed cautiously regarding the extent to which policy can influence outcomes. Obviously, circumstances change in unanticipated fashion. If we are overly prescriptive and/or proscriptive and do not allow ourselves the ability to adapt, we run the risk of generating unintended consequences and missing unforeseen opportunities. Therefore, to meet our projected future housing needs, we encourage you to *assure a sufficient supply of land for a broad range of housing types (both single family and multifamily), and provide the means to facilitate, not just mandate, higher density housing in appropriate areas.*

For all of the above reasons, we find it difficult to recommend an exact ratio of single family to multifamily housing to assign to the new residential development that is expected to occur in our community. Below, we provide a rationale establishing reasonable bookends for this ratio.

On one end of the scale, a plausible argument can be made based on historical data pertaining to housing mix, rates of development for green field and infill sites, and dwelling unit-densities. By planning for the upper end of projected acreage needs, i.e., 60 percent single family/40 percent multi-family new housing ratio (which is slightly denser development than we have experienced in recent years), we would allow ourselves leeway to adjust to the vagaries of the housing market, stimulate competition among builders, and provide choices for home buyers and renters. As part of this approach, amending our development code to permit alley access lots and promote the construction of secondary dwelling units could further our goal of compact development and conceivably produce more affordable homes. Numerous other code “fixes” could be implemented as part of our land efficiency strategies to reduce the time and expenses associated with permitting requirements. Importantly, if demand for the types of single family homes does not continue as it has in the past, land designated for development would remain vacant and useable for agriculture, forestry or open space for some additional time beyond the planning period, serving essentially as an “urban reserve”. Conversely, by designating a lower amount of land for housing, we run the risk of constraining land supply, thereby potentially increasing land cost and adversely affecting affordability. This approach has the potential for driving development to outlying communities with the attendant consequence of increased commuting, vehicle miles travelled and greenhouse gases emitted.

On the other end of the range, in recognition of whatever challenges the future holds, and to guard against unbridled sprawl and the inefficient use of urbanizable land, it is incumbent upon us to proactively manage the development of land located both within the existing, and potentially an expanded, UGB. Our current annexation policy that requires “contiguity” or “adjacency”, i.e., only land next to the city limits can be annexed, is the first safeguard we already have in place for conserving both natural and financial resources. A more robust and transparent review process of our Capital Improvement Program on at least a biannual basis would ensure opportunity for public involvement and City Council control of the timing of the extension of key urban services into expansion areas, thereby phasing annexations and managing growth. Coupled with public/private partnership programs and incentives designed to facilitate development/redevelopment of infill sites and increase density along transit corridors and in core commercial areas, the City would be able to balance annexations with the rate of development of vacant and partially vacant land inside the existing UGB and to facilitate higher density development. In this regard, a 50 percent single family/50 percent multi-family new housing mix is perhaps a justifiable, although aggressive, ratio toward which to manage housing development. Monitoring programs outlined in the 7<sup>th</sup> Pillar of Envision Eugene provide further assurance that adjustments could be made in a timely manner to policies regarding the housing mix and land designations as future circumstances deem appropriate.

Because state mandate requires that we establish a specific percentage target housing mix, our bookends or parameters are insufficient. At our meeting on September 20, 2011, we took a poll among ourselves to determine the level of support for a particular housing mix for new housing development. After considerable discussion, the result was: four members favor a 60 percent single family / 40 percent multifamily mix, and three members favor a 55 percent single family / 45 percent multifamily mix. As the final decision makers on this point of housing mix, we applaud your perseverance in making this



difficult decision that will steer the City's growth for the future. We do hope that our own struggles to provide you with useful information will assist your deliberations on how to accommodate Eugene's projected population growth.

As Shakespeare's Coriolanus recognized, "the people are the city". With respect to the 34,000 people whose future preference for housing we cannot predict, and out of respect for all of the people who shared facts and expressed opinions during the Envision Eugene process, it is incumbent upon us to find a way to avoid our collective "worst fears" and to achieve our "best outcomes". If all of the demographic, climatic, energy and other changes come to pass in the next 20 years and the citizens of Eugene decide to drive less and live in higher density housing near the urban core and along transit corridors, the city needs to be in a position to provide for these outcomes. If, on the other hand, more efficient automotive technology and a preference for the American Dream single family home sustain the status quo, the city needs to position itself to accommodate these expectations as well. *By assuring a sufficient supply of land for a broad range of housing types(both single family and multifamily), and providing the means to facilitate, not just mandate, higher density housing in appropriate areas,* the City of Eugene can prepare for the uncertainties of anticipated growth in a rational, balanced manner that has a reasonable chance of offering affordable housing choices while achieving compact urban growth, neighborhood preservation and natural resource protection to the year 2031 and beyond. By using this approach, the objectives of individuals, neighborhoods and the City as a whole can be satisfied.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Mills". The signature is stylized with a large, looped initial "J" and a cursive "Mills".

Jeffery Mills, Chair  
Eugene Planning Commission